

TRADE BARRIERS FOR US SPECIALTY CROP EXPORTS – NEW CHALLENGES & CREATIVE PROBLEM SOLVING

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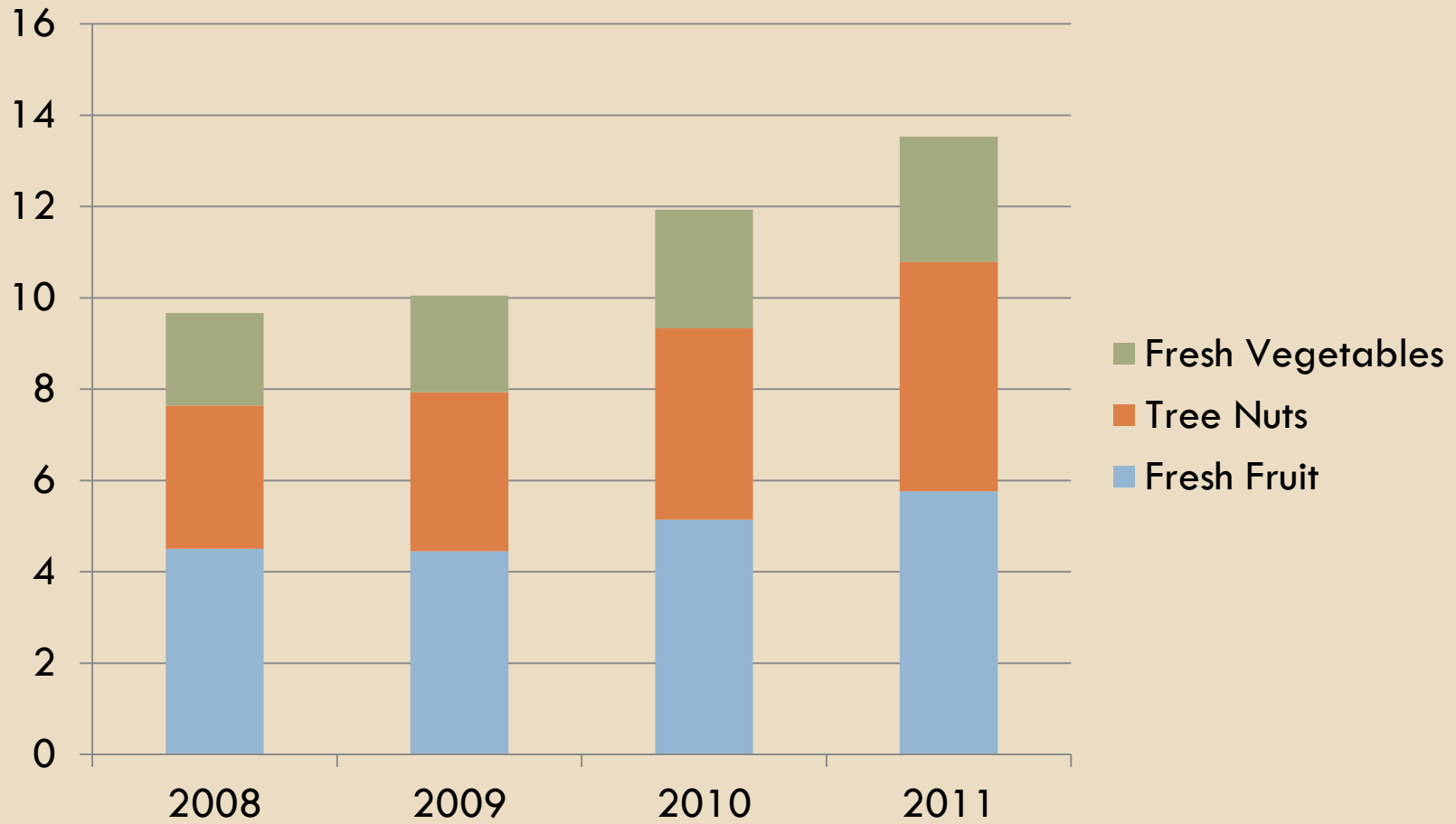
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Overview

- US specialty crop exports data
- Familiar challenges to specialty crop exports
 - ▣ Tariffs, duties
 - ▣ Pesticide MRLs
 - ▣ Pest and disease challenges
- Recent developments – new challenges
 - ▣ Emerging markets – risks and rewards
 - ▣ Food security as a trade barrier
- Working with FAS to address these challenges
 - ▣ Technical assistance for Specialty Crops (TASC)
 - ▣ Overseas attachés
 - ▣ Food Safety Modernization Act

US Specialty Crops Exports in 2011, in Billions of USD



The Evolution of Barriers to Specialty Crop Exports

- Tariffs, duties & quotas used to be the barrier of choice
 - ▣ Successful WTO negotiation rounds have addressed these
- SPS/food safety barriers
- Export challenges are taking new forms
 - ▣ Increased MRL enforcement vigilance in some key developed markets
 - ▣ Emerging markets with unpredictable regulatory and policy approaches
 - ▣ Food security versus food self-sufficiency
 - ▣ SPS/food safety measures masquerading as standards

Korea

- Growing market for US specialty crops
 - ▣ \$441.4 million in fresh F&V and tree nut exports in 2011
 - ▣ Jan-Mar exports are up 48% this Jan-Mar versus 2011
- Korea-US Free Trade Agreement
 - ▣ Entered into force this past March
 - ▣ SPS Committee to address SPS, food safety issues
- Super-vigilant MRL enforcement
 - ▣ Third country violations can trigger Korean enforcement action
 - ▣ Multi-residue testing affects all exporters
- Technical dialogue to address MRL discrepancy
- FAS, USTR engagement to address MRL enforcement issues

Indonesia

- Worst-case scenario for US exporters
 - Key emerging market for US specialty crop exports
 - \$116.4 million in fresh F&V and tree nut exports in 2011
 - Protectionist measures issued with no opportunity to engage the Government of Indonesia
 - Regs 88 (food safety), 89 (port closure), 3/30 (import permits)
 - Measures weren't notified to the World Trade Organization
 - Uncommunicative and confused ministries
 - Limited access, limited success in reversing or stalling these measures
 - Incomplete information in a market with lots of potential
 - Export at your own risk

Indonesia

- What is FAS doing?
 - ▣ Engaging the Government of Indonesia in Washington, Jakarta and Geneva
 - Meetings with Ag Attaché, Ambassador
 - US Ambassador leads multilateral engagement with the Government of Indonesia in Jakarta
 - US leads multilateral engagement in WTO SPS, TBT, Agriculture and Import Licensing Committees
 - ▣ Working with USTR – coordinated effort to engage the Trade and Agriculture Ministries

MRLs – The Reactive Element

- FAS' main goal – put out the fire, address concerns
- FAS Washington
 - ▣ Obtain information from and provide guidance to growers, packers and shippers
 - ▣ Work closely with USG regulatory and trade agencies to craft trade facilitative solutions
- FAS Overseas Attachés
 - ▣ Engage with host government officials and importers
 - ▣ Provide guidance on MRL enforcement, development of compliance/improvement plans

MRLs – The Proactive Element

- MRL Database – funded by USDA and EPA
- Technical dialogues with key trading partners
 - ▣ Japan, Korea, Taiwan, etc
- Identify grower and registrant priorities
- Regional and multilateral work
 - ▣ Codex Committee on Pesticide Residues (CCPR)
 - Global joint reviews
 - Broad support for CCPR and Joint (FAO/WHO) Meeting on Pesticide Residues (JMPR)
 - ▣ IR-4, Global Minor Use Summit II
 - ▣ Work with key emerging markets

Food Safety Modernization Act

- Signed into law in early 2010
- Regulations are being drafted now
 - ▣ Produce Rule
 - ▣ Foreign Supplier Verification Program
- FDA wants/needs stakeholder input
 - ▣ Domestic and international input will be sought
- FAS' goal: reduce likelihood of any negative impacts on US exports
 - ▣ Encourage participation in the comment process

Thank you

- Plant Division is here to help and we need your help
 - http://www.fas.usda.gov/OASA_Division_Contacts.asp
 - Agricultural Trade Advisory Committee for Fruit and Vegetables
 - Meets twice/year – last met in April
 - More information at: <http://www.fas.usda.gov/itp/apac-atacs/atac-fruits.asp>
- Exporter assistance – Office of Trade Programs
 - <http://www.fas.usda.gov/OTP.asp>
 - TASC, Emerging Markets Program (EMP)